

Family Support Center of Southwest Utah

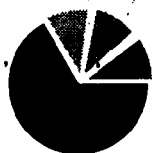
(UNAUDITED)

FINANCIAL STATEMENTS

JUNE 30, 2005

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KEMP BURDICK
KEMP BURDICK HINTON & HALL L.C.
CPA'S & ADVISORS

Accountants Review Report

To the Board of Trustees
Family Support Center of Southwest Utah
163 North 300 West
Cedar City, Utah 84720

MEMBERS:
KRIS J. BRAUNBERGER
DEAN R. BURDICK
BRENT R. HALL
KENNETH A. HINTON
GREGORY A. KEMP
MORRIS J. PEACOCK
MICHAEL K. SPILKER
MARK E. TICHENOR

We have reviewed the accompanying statement of financial position of Family Support Center of Southwest Utah (a nonprofit corporation) as of June 30, 2005, and the related statements of activities and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Family Support Center of Southwest Utah

A review consists principally of inquiries of Organization personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

Kemp, Burdick, Hinton & Hall, L.C.

KEMP, BURDICK, HINTON & HALL, L.C.
November 1, 2005

Family Support Center of Southwest Utah
Statement of Financial Position
June 30, 2005

Assets

Current assets:

Cash and cash equivalents	\$	36,547
Accounts receivable		-
Employee Loan		<u>105</u>
Total current assets		<u>36,652</u>

Fixed assets:

Property, plant, & equipment		191,603
Land		41,652
Accumulated depreciation		<u>(41,570)</u>
Total fixed assets		<u>191,685</u>

Total assets

\$ 228,337

Liabilities and net assets

Current liabilities:

Accounts payable	\$	35,039
Payroll taxes payable		3,232
Current portion of long term debt		<u>5,927</u>
Total current liabilities		<u>44,198</u>

Long Term liabilities:

Notes payable		<u>160,762</u>
Total long term liabilities		<u>160,762</u>

Total liabilities

204,960

Net assets:

Unrestricted		13,101
Temporarily restricted		10,276
Permanently restricted		<u>-</u>

Total net assets

23,377

Total liabilities and net assets

\$ 228,337

The accompanying notes are an integral part of the financial statements.

Family Support Center of Southwest Utah
Statement of Activities
For the Year Ended June 30, 2005

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues, gains, and other support:				
Shelter care	\$ 6,428	\$ -	\$ -	\$ 6,428
Fundraising	2,741	-	-	2,741
Client fees	1,196	-	-	1,196
Grants	226,450	9,166	-	235,616
Interest income	296	-	-	296
Miscellaneous	264	-	-	264
Sales tax refunds	1,961	-	-	1,961
Net assets released from restrictions:				
Satisfaction of program restrictions	-	-	-	-
Total revenues, gains, and other support	<u>239,336</u>	<u>9,166</u>	<u>-</u>	<u>248,502</u>
Expenses and losses:				
Program 1 - crisis	199,579	-	-	199,579
Program 2 - shelter	27,377	-	-	27,377
Management and general	<u>24,479</u>	<u>-</u>	<u>-</u>	<u>24,479</u>
Total expenses	<u>251,435</u>	<u>-</u>	<u>-</u>	<u>251,435</u>
Total expenses and losses	<u>251,435</u>	<u>-</u>	<u>-</u>	<u>251,435</u>
Change in net assets	(12,099)	9,166	-	(2,933)
Net assets at beginning of period	<u>25,200</u>	<u>1,110</u>	<u>-</u>	<u>26,310</u>
Net assets at end of period	<u>\$ 13,101</u>	<u>\$ 10,276</u>	<u>\$ -</u>	<u>\$ 23,377</u>

The accompanying notes are an integral part of the financial statements.

Family Support Center of Southwest Utah
Statement of Cash Flows
For the Year Ended June 30, 2005

Cash flows from operating activities:	
Cash received from shelter care	\$ 6,428
Cash received from fundraising	2,741
Cash received from client charges	1,196
Cash received from grants	225,831
Cash received from interest income	296
Cash received from other	2,224
Cash paid to suppliers	(71,950)
Cash paid to employees	(138,988)
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Net cash flows from operating activities	27,778
Cash flows from investing activities:	
Purchase of fixed assets	(12,742)
Decrease in long term debt	(6,092)
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Net cash flows from investing activities	(18,835)
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Net change in cash and cash equivalents	8,943
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Cash and cash equivalents, beginning of year	27,604
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Cash and cash equivalents, end of year	\$ 36,547
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Reconciliation of change in net assets to net cash flows from operating activities:	
Change in net assets	\$ (2,934)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation/amortization	6,608
Recognition of prior year deferred revenue	(9,783)
Changes in operating assets and liabilities:	
Increase/(Decrease) in accounts payable	32,084
Increase/(Decrease) in payroll taxes payable	1,803
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Net cash flows from operating activities	\$ 27,778
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The accompanying notes are an integral part of the financial statements.

Family Support Center of Southwest Utah
Notes to the Financial Statements
June 30, 2005

Note 1. Significant Accounting Policies

General

The accompanying financial statements of Family Support Center of Southwest Utah have been prepared on the accrual basis of accounting. Contributions are recorded when received unless susceptible to accrual.

Family Support Center of Southwest Utah was organized and incorporated in 1989 as an exempt organization for federal income tax purposes under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has indicated that Family Support Center of Southwest Utah is not a private foundation.

Description of Programs

Family Support Center of Southwest Utah is working to promote the welfare of abused children and assist them and their parents by providing temporary shelter, care, food, and rehabilitative counseling to raise standards of their home life. The Family Support Center of Southwest Utah works with local law enforcement agencies and existing social agencies to carry out their mission.

Reporting Entity

For financial reporting purposes, the Family Support Center of Southwest Utah has included the activity of all funds. On October 1, 1996 the St. George center obtained independent status and approval from the IRS to be treated as a separate 501(c) (3) corporation. As such the financial activities of the St. George center are not included in these financial statements and are strictly limited to the Cedar City and Richfield, Utah activities.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. As restrictions are met, these revenues become unrestricted and are then allowed to be expended.

Contributed Services

Family Support Center of Southwestern Utah does not normally recognize in the financial statements any support, revenue or expense, from services contributed by volunteers.

When in-kind support, revenue or expense is recorded, it is determined based on the amount an individual would have been paid if they had performed the services on a paid basis.

Fund-raising

The Family Support Center of Southwestern Utah conducts limited fundraising events due to the confidential nature of their work. During the 2004-2005 fiscal year fundraising income was \$2,741.

Family Support Center of Southwest Utah
Notes to the Financial Statements
June 30, 2005

Note 1. Significant Accounting Policies, Continued

Employees

Family Support Center of Southwest Utah employed approximately 20 full-time and part-time employees as of the end of 2004. Salaries and wages are allocated to the various programs, to management and general, and to fund-raising, based on an analysis of the salaries and wages paid to employees in each function. Salaries, employee benefits and other payroll costs allocated during 2004-2005 totaled \$0.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2. Cash and Cash Equivalents

Family Support Center of Southwest Utah cash and cash equivalents include cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition for purposes of this note and the statement of cash flows.

Cash on Hand	\$ 375
Cash in Bank	<u>36,172</u>
Total	<u><u>\$ 36,547</u></u>

Cash in bank is insured by FDIC up to \$100,000 per financial institution. Family Support Center of Southwest Utah has accounts at one financial institution. On June 30, 2005, Family Support Center of Southwest Utah total insured amount was \$36,172.

Family Support Center of Southwest Utah
Notes to the Financial Statements
June 30, 2005

Note 3. Fixed Assets

Expenditures for physical properties are stated at cost. Donated assets are recorded at their estimated fair market values at the date of donation. Maintenance, repairs and renewals, which neither materially add to the value of the property nor appreciably prolong life, are charged to expense as incurred. Major renewals and betterments are capitalized. Gains and losses on dispositions of property and equipment are included in revenue in the year of disposition.

Depreciation of physical properties is calculated on the straight-line methods over the following estimated useful lives:

Buildings & Improvements	39 years
Furniture, fixtures and equipment	3-5 years
Leasehold Improvements	3 years

Changes in fixed assets for 2004 are as follows:

	Balance 06/30/04	Additions	Deletions	Balance 06/30/05
Buildings	\$ 155,896	\$ -	\$ -	\$ 155,896
Furniture & Fixtures	22,065	12,743	-	34,808
Leasehold Improvements	899	-	-	899
Land	41,652	-	-	41,652
Total	220,512	12,743	-	233,255
Less accumulated depreciation	(34,961)	(6,609)	-	(41,570)
	<u>\$ 185,551</u>	<u>\$ 6,134</u>	<u>\$ -</u>	<u>\$ 191,685</u>

Family Support Center of Southwest Utah
Notes to the Financial Statements
June 30, 2005

Note 4. Long Term Debt

At June 30, 2005, the Center had a \$158,129 mortgage payable with the Utah State Division of Finance. The mortgage is payable in monthly installments of \$812 and is secured by land and buildings. Interest accrues at 4.0%. Additionally, the Center has a loan with Donna Williamson for \$8,844. The loan is payable in monthly installments of \$250 and is secured by the land. Interest accrues at 7.115%. Maturities by year are as follows:

	<u>Current Portion</u>	<u>Non-Current Portion</u>	<u>Total</u>
4.00% Note to Olene Walker Trust Fund secured by land and building	\$3,477	\$154,652	\$158,129
7.115% Note to Donna Williamson secured by land and building	<u>2,450</u>	<u>6,394</u>	<u>8,844</u>
Total Notes Payable	<u>\$5,927</u>	<u>\$161,046</u>	<u>\$166,973</u>

<u>Year Ending June 30</u>	<u>Principal Amount</u>
2006	\$ 5,927
2007	6,249
2008	6,590
2009	4,861
2010	4,080
Thereafter	<u>139,266</u>
	<u>\$ 166,973</u>

SUPPLEMENTARY SCHEDULE

Family Support Center of Southwest Utah
Statement of Functional Expenses
For the Year Ended June 30, 2005

EXPENSE CATEGORY	PROGRAM 1 CRISIS	PROGRAM 2 SHELTER	MANAGEMENT & GENERAL	TOTAL
Auto and travel	\$ 4,785	\$ -	\$ -	4,785
Conference and meetings	3,838	-	-	3,838
Depreciation	4,626	1,322	661	6,608
Dues and subscriptions	339	-	-	339
Employee benefits	3,587	448	448	4,484
Equipment rental	484	-	322	806
Fundraising	1,043	-	-	1,043
Insurance	4,899	612	612	6,124
Interest	6,391	799	799	7,989
Legal and professional fees	-	-	2,793	2,793
Licenses and permits	307	-	-	307
Mailing and shipping	-	-	1,369	1,369
Miscellaneous	732	-	-	732
Office Supplies	3,817	763	3,054	7,634
Payroll expenses	97,758	12,220	12,220	122,198
Payroll taxes	9,845	1,231	1,231	12,306
Program expense	13,944	3,486	-	17,430
Program supplies	10,707	2,677	-	13,384
Repairs and maintenance	11,390	2,848	-	14,238
Sales taxes	2,946	-	-	2,946
Security system	443	-	-	443
Supervised visits	3,450	-	-	3,450
Telephone	4,525	566	565	5,656
Training	6,487	-	-	6,487
Utilities	3,236	405	405	4,045
TOTAL	\$ 199,579	\$ 27,377	\$ 24,479	\$ 251,434